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January 4, 2013

VIA ELECTRONIC FILING

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

RE: Written Ex Parte Presentation
2010 Quadrennial Review of the Commission's Broadcast Ownership Rules
MB Docket No. 09-182

Dear Ms. Dortch:

Press reports indicate that the Commission is considering a draft order in its 2010 Quadrennial Review proceeding that would reverse current Commission policy and treat television joint sales agreements ("JSAs") as attributable ownership interests for the purpose of determining compliance with its local television ownership rule. By this letter, TTBG LLC ("TTBG") expresses its opposition to any such proposal.

In the decades since the Commission adopted the current local television ownership rule in the late 1990s, the media marketplace has evolved significantly. The Internet has played a particularly transformative role by irrevocably altering the ways in which Americans access and consume information. As a result, television broadcasters today face competition not only from traditional media outlets, but also a bevy of internet-based sources such as websites, blogs, and social media. In this increasingly competitive media marketplace, cooperative arrangements like shared services agreements ("SSAs") and JSAs have allowed broadcasters to remain economically viable while continuing to serve the public interest.

A decision by the Commission to attribute JSAs would adversely affect the ability of broadcasters like TTBG to provide their audiences with quality, local programming and other important services. The impact would be particularly pronounced in small and medium sized markets like Sioux City, Iowa (DMA #147), where TTBG and Waitt Broadcasting have successfully partnered via an SSA and an Advertising Representation Agreement. These agreements allow TTBG's KPTH, a Fox affiliate, and Waitt's KMEG, a CBS affiliate, to streamline sales, engineering, promotions, master control, and other back-office functions. Through the resulting operating and cost efficiencies, KPTH is able to deliver the market's only primetime 9 p.m. newscast and KMEG is able to broadcast three local news programs produced by KPTH. It would not be economically feasible for either KPTH or KMEG to provide this programming as stand-alone stations.

The sharing agreements also allow the stations to afford vital news gathering equipment and lifesaving weather technology. During the recent election, KPTH used a satellite truck purchased by KMEG to provide both stations with live, on-the-spot coverage of local political debates and speeches by President Obama and Republican challenger Mitt Romney. KPTH and KMEG were the only local stations to carry these events live. Similarly, when a tornado hit the town of Mapleton, Iowa, KPTH and KMEG used advanced Doppler radar and a network of weather cameras strategically located throughout the DMA to track the storm and regularly update the community on its trajectory and strength. Such important news and weather coverage would not be possible without the SSA and JSA.

Finally, the cost savings and operating efficiencies from the TTBG and Waitt sharing agreements allow KPTH and KMEG to support local charities in meaningful ways that would be difficult to achieve as stand-alone stations. Working together, the stations are able to support a number of local charities, including Coats for Kids, Toys for Tots, and Books for Budding Brains. In 2012, the involvement of KPTH and KMEG helped raised significant amounts for charity.

In addition to promoting the public interest by facilitating more and better local programming and community involvement, sharing agreements like JSAs are critical to the health of local television stations. Particularly in small and medium-sized markets with fewer sources of advertising revenue, cooperative arrangements help broadcasters achieve cost efficiencies that make operating less expensive. As a result, broadcasters are better able to weather economic downturns and cyclical dips while continuing to serve their local communities. Tightening already restrictive ownership rules would have the opposite effect, weakening local stations and forcing some broadcasters to exit the market altogether.

As the foregoing amply demonstrates, interfering with television broadcasters' ability to freely enter into JSA relationships would be harmful to broadcasters and detrimental to the public interest. TTBG urges the Commission to retain its current rules regarding the non-attributable status of JSAs and other cooperative arrangements.

Respectfully submitted,

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By: 

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